

## HELLOWORLD TRAVEL LIMITED AUDIT AND RISK COMMITTEE CHARTER

### Objectives

1. The objectives of the Helloworld Travel Limited Audit and Risk Committee (Committee) are to assist the Board in fulfilling its corporate governance and oversight responsibilities in regard to:
  - a) the reliability and integrity of information for inclusion in Helloworld Travel Limited's financial statements;
  - b) enterprise-wide risk management (other than the risk management issues dealt with by the Board);
  - c) compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations;
  - d) the integrity of Helloworld Travel Limited's internal control framework;
  - e) safeguarding the independence of the external auditors; and
  - f) assessing and overseeing the management of any material exposure to economic, environmental and social sustainability risks.<sup>1</sup>
  - g) receiving regular briefings on accounting standards
2. In particular, the Committee is to undertake the functions of the audit and risk committee set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles)<sup>2</sup>.
3. It is the responsibility of the Committee, the external auditor, the outsourced internal auditor(s) and Helloworld Travel Limited Management to maintain free and open communication.

### Membership

4. The Committee is appointed by the Board in accordance with Clause 8.1(a) of the Helloworld Travel Limited Constitution.
5. Where the composition of the Board allows, the Committee is to consist of<sup>3</sup>:
  - a) only Non-Executive Directors;
  - b) not less than three members<sup>4</sup>;
  - c) a majority of independent Non-Executive Directors;
  - d) members who between them have accounting and financial expertise (ie are able to read and understand financial statements) and have a sufficient understanding of the industry in which Helloworld Travel Limited operates<sup>5</sup>; and

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<sup>1</sup> ASX Principle, Recommendation 7.4.

<sup>2</sup> ASX Listing Rule 12.7.

<sup>3</sup> ASX Principles, Recommendation 4.1

<sup>4</sup> ASX Principles, Recommendation 4.1(a)(1).

<sup>5</sup> ASX Principles, Recommendation 4.1, Commentary.

Where the composition of the Board does not allow the Committee to consist of all of the above, the Board is to establish the Committee of a sufficient size and independence<sup>6</sup> and with those directors who are considered to be the best qualified to serve on the Committee given their background and experience.

6. The Chairperson of the Committee is to be an independent Non-Executive Director and is to be appointed by the Board (but is not to be the Chairperson of the Board)<sup>7</sup>.
7. Directors' fees must be the sole source of compensation from Helloworld Travel Limited for all Committee members.
8. The Audit and Risk Committee should keep minutes of its meetings and these should ordinarily be included in the papers for the next full Board meeting after each Audit and Risk Committee meeting.
9. The Company Secretary will act as secretary of the Committee unless determined otherwise by the Board.
10. The Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO') may attend Meetings in an ex-officio capacity. Other Directors who are not Committee members may attend Meetings.
11. Other relevant Helloworld Travel Limited Management and representatives of the external and outsourced internal auditors are to attend Committee Meetings at the invitation of the Committee Chairperson.

### **Meetings**

12. The Committee should meet often enough to undertake its role effectively.
13. A quorum for a Committee Meeting is two members, save that one member of the quorum must be an independent Director.
14. Meetings of the Committee may be held using any means of audio or audio-visual communication by which each Committee member can hear and be heard by each other Committee member participating.
15. Recommendations of the Committee are to be referred to the Board for approval, with the exception of:
  - a) approval of the audit plans of the external auditor; and
  - b) approval of the scope of internal audit projects and review internal audit reports.

### **Access to Information and Independent Advice**

16. The Committee has the right of access to management, rights to seek explanations and additional information and access to internal and external auditors, without management present.<sup>8</sup>

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<sup>6</sup> ASX Principle, Recommendation 4.1, Commentary.

<sup>7</sup> ASX Principles, Recommendation 4.1(a)(2).

<sup>8</sup> ASX Principles, Recommendation 4.1, Commentary

17. The Committee may take such independent legal, financial or other advice as it considers necessary<sup>9</sup>.

## **Duties and Responsibilities**

### **Function**

18. The function of the Committee is oversight. It is recognised that the members of the Committee are not full time employees of Helloworld Travel Limited and generally do not represent themselves as experts in the fields of accounting, auditing or risk management. It is not the responsibility of the Committee personally to conduct accounting, audit or risk reviews.
19. Committee members are entitled to rely on Helloworld Travel Limited Management on matters within their responsibility and on external professionals on matters within their areas of expertise. Committee members may assume the accuracy of information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate. Committee members must bring independent judgement to bear on all matters which come before them for consideration.
20. Management is responsible for:
- a) the preparation, presentation and integrity of Helloworld Travel Limited's financial statements;
  - b) implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and risk management systems, policies and procedures, reporting protocols and internal controls that are designed to ensure compliance with applicable accounting standards, laws and regulations; and
  - c) the preparation, presentation and integrity of the information provided to the Committee.
21. The external auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards. The external auditor is accountable to shareholders through the Committee.

### **Understanding the Business**

22. The Committee should understand Helloworld Travel Limited's structure and operations in order to confirm with Helloworld Travel Limited Management:
- a) the reliability and integrity of financial information, the integrity of Helloworld Travel Limited's internal control structure and compliance with audit, accounting and financial reporting obligations; and
  - b) that the significant enterprise-wide risks faced by Helloworld Travel Limited have been identified and appropriate mitigation plans have been implemented.

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<sup>9</sup> ASX Principles, Recommendation 4.1, Commentary

## **Enterprise-wide Risk Management**

23. The Committee will, after taking into account the work of the Board, confirm that Helloworld Travel Limited Management has established and operates an enterprise-wide risk management system which is designed to identify, assess, monitor and manage risk throughout Helloworld Travel Limited, notably in relation to audit, accounting, tax and financial reporting obligations<sup>10</sup>.
24. The role and responsibilities of the Committee in relation to enterprise wide risk management are:
  - a) assess the integrity of Helloworld's risk management, internal control and compliance systems;
  - b) ensure that significant enterprise risks faced by Helloworld have been identified and appropriate mitigation plans have been implemented; and
  - c) report to the Board, the results of its review for enterprise risk management and internal controls to ensure adherence with the Helloworld risk management policy.

## **Review of Financial Information**

25. The Committee will review the draft half yearly and annual financial statements of Helloworld Travel Limited prior to consideration by the Board, to ensure they represent a true and fair view of Helloworld Travel Limited's financial position and performance. The Committee should focus on:
  - a) compliance with ASX Listing Rules, Corporations Act 2001 and accounting standards (including an assessment of the appropriateness of Management's selection of accounting policies and disclosures);
  - b) significant or unusual transactions and accounting estimates;
  - c) significant changes in accounting policies and practices;
  - d) major judgmental areas;
  - e) significant audit adjustments; and
  - f) reviewing management processes supporting external reporting.
26. The Committee will review the Declarations signed by the CEO and CFO required by section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

## **Legal and Regulatory Compliance**

26. Without limiting its scope, the Committee will, in conjunction with the Board and Management, monitor Helloworld Travel Limited's compliance with:
  - a) all relevant statutory and regulatory obligations, including the ASX's continuous disclosure obligations; and
  - b) all internal Policies and Procedures (including the Helloworld Travel Limited Standards of Conduct).
27. The Committee will consider the effects on Helloworld Travel Limited of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

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<sup>10</sup> ASX Principles, Recommendations 7.1 and 7.2, including Commentary

## **Evaluation of Policies and Controls**

28. The Committee will consider the adequacy and effectiveness of the Helloworld Limited administrative, operating and accounting policies through communication with Management, the outsourced internal auditor(s) and the external auditor.
29. The Committee will consider the adequacy and effectiveness of the internal control framework by reviewing reports from Management, outsourced internal auditor(s) and the external auditor, and monitor Management responses and actions to correct any noted deficiencies.

## **Insurance**

30. Without limiting its scope, the Committee will:
  - a) receive an annual Paper from Management in relation to Helloworld Travel Limited's insurance program which details all material facts about the program including: the level of cover; premium; principal terms; and exclusions;
  - b) review and recommend to the Board any material new insurances, proposed cancellations or variations of existing policies; be advised of any Helloworld Travel Limited or industry developments (including incidents or claims) which may materially affect the Helloworld Travel Limited insurance program; and
  - c) be advised of each renewal (including details of the principal terms) of material insurances within the Helloworld Travel Limited insurance program.

## **External Auditor**

31. The Committee will:
  - a) recommend to the Board the appointment, reappointment or replacement of the external auditor and the payment of annual fees and variations to approved fees of greater than 10% (noting that an effective, comprehensive and complete audit can be conducted for the agreed compensation);
  - b) review and approve the audit plans of the external auditor;
  - c) review the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures;
  - d) consider the overall effectiveness and independence of the external auditor; and
  - e) resolve any disagreements between Management and the external auditor regarding financial reporting.
32. The Committee will monitor and note compliance by the external auditor with the independence requirements imposed by the Corporations Act and will receive and review the Auditor's Independence Declaration to be provided to the Directors of Helloworld Travel Limited by the external auditor pursuant to section 307C of the Corporations Act.
33. The Committee will implement a process for the pre-approval of all audit and non-audit services provided by the external auditor (who are not to be

appointed to undertake any non-audit assurance services that may impair the external auditor's judgment or independence in respect of Helloworld Travel Limited).

34. On an annual basis, the Committee will review a report from the external auditor:
  - a) confirming that the audit firm's internal quality control and conflict procedures are in place and operating;
  - b) describing any material issues raised by the most recent quality control, or peer review, of the audit firm and any steps taken to deal with any such issues; and
  - c) describing all relationships between the external auditor and Helloworld Travel Limited or Helloworld Travel Limited Management (to assess the auditor's independence).
35. The Committee will agree with Management hiring policies for employees or former employees of the external auditor to comply with the Corporations Act and to prevent the impairment or perceived impairment of the external auditor's judgment to independence.

### **Internal Audit**

36. The Committee will:
  - a) evaluate, review and consider, at least annually, the adequacy of the internal audit function.<sup>11</sup>
  - b) where an internal auditor(s) is engaged the Committee shall<sup>12</sup>:
    - i) review and approve the scope and adequacy of the outsourced internal auditor's plans and work program and;
    - ii) ensure a separate reporting line from the internal auditor(s) to the Committee and ensure the internal auditor(s) is able to perform and disclose information to the Committee objectively.

### **Complaint Procedure**

- 37 In assisting the Board, the Committee is to confirm there are adequate procedures for the receipt, retention and treatment of complaints under the Whistleblower Policy) received by Helloworld Travel Limited, including in relation to risk management, legal and regulatory compliance, accounting, internal controls or auditing. This is to include a process for confidential anonymous complaints by employees or other stakeholders.

### **Other**

38. In addition, the Committee will examine any other matters referred to it by the Board.

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<sup>11</sup> ASX Principles Recommendation 7.3(a)

<sup>12</sup> ASX Principles, Recommendation 4.1, Commentary

## **Reporting**

39. The Committee will report on its Meetings to the Board all significant matters relevant to the Committee's objectives, duties and responsibilities, including:
  - a) assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholders' needs;
  - b) assessment of the management processes supporting external reporting;
  - c) the results of its review of the Helloworld Travel Limited's system of enterprise-wide risk management and internal control;
  - d) assessment of the performance and independence of the external auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
  - e) assessment of the adequacy of the scope and performance of the internal audit work; and
  - f) a summary of complaints reported on by Helloworld Travel Limited Management during the period.

## **Committee Performance**

40. To determine whether it is functioning effectively, once each year the Committee shall:
  - a) review this Charter; and
  - b) perform an evaluation of its performance.